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Approach to defining the baseline for forest management projects

The Forest Sector Workgroup recommends a two tiered approach to defining baseline for forest management projects; establishment of guidelines for defining a **business as usual** scenario so that projects can be established early in the cap and trade system and establishing a "**regional average**" approach as a more long term solution.

A **regional average** baseline is the average regional growing stock inventory for the forest type (potentially considering site class and/or age) as calculated by an independent inventory such as the USDA Forest Service Forest Inventory and Analysis process. Additionality is based on reporting the stock or flow change of a participating entity's growing stock with respect to the regional average inventory.

At this point in time, the existing data is not sufficient to accurately estimate a regional carbon inventory by forest type. This is compounded when considering also land classification, site class, and age. As a result, the Forest Sector Workgroup recommends that Washington State support efforts to augment the FIA process to be able to create a carbon inventory of sufficient accuracy to be able to be utilized as part of a regulatory carbon market as a baseline and/or as a monitoring tool to gauge the change in forest stocks over time.

In the absence of a regional baseline approach, the Forest Sector Workgroup recommends establishing a "**business as usual**" baseline for participation as an offset provider in a regulatory cap and trade market.

The baseline will be the expected carbon stocks over time based on appropriate growth and yield models and actual harvest data given a set of management assumptions that reflect primarily past and current management actions. This presumes the inclusion of applicable regulations. In the absence of historical information regarding past practices, an entity could establish baseline based on a combination of management practices from other entities in a similar forest type and from other properties the entity currently manages outside of that forest type.

Additionality would be based on the change in stocks over time based on a new set of management assumptions vs. the current management assumptions.